



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

April 29, 2004

### **S. 2270**

### **No Oil Producing and Exporting Cartels Act of 2004**

*As reported by the Senate Committee on the Judiciary on April 22, 2004*

S. 2270 would seek to prohibit foreign states from working collectively to limit the production, set the price, or otherwise restrain the trading of petroleum and natural gas when such actions affect U.S. markets. The bill would authorize the Department of Justice (DOJ) and the Federal Trade Commission (FTC) to enforce this legislation by filing antitrust actions in federal courts. The bill also would provide that foreign states that restrain trade in petroleum and natural gas would not be immune—under the doctrine of sovereign immunity—from the judgments of U.S. courts.

CBO cannot project the cost of implementing S. 2270 because we have no basis for assessing the likelihood, or frequency, that the Administration might initiate antitrust actions against foreign states under the bill. Based on information from FTC and DOJ on the costs of recent investigations of alleged antitrust violations, CBO estimates that similar investigations under S. 2270 could cost up to \$4 million a year, subject to the availability of appropriated funds.

S. 2270 could result in the collection of additional criminal or civil penalties. Collections of criminal fines are recorded in the budget as revenues, which are deposited in the Crime Victims Fund and spent in subsequent years. Civil fines are also recorded as governmental receipts. CBO cannot estimate the impact of S. 2270 on direct spending and receipts because we cannot determine whether DOJ and FTC would file suit against alleged violators, whether the agencies would win such legal action, or the amount of any penalties that might be collected by federal agencies.

This legislation contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact for this estimate is Melissa E. Zimmerman. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.